REMARKS

Section 112, ¶ 1 Rejections

In the Office Action, claims 1-19 were rejected under 35 U.S.C. § 112, ¶ 1, as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor, at the time the application was filed, had possession of the claimed invention. In particular, the Office Action stated, "It is unclear and lack of description [*sic*] of a pricing procedure and a description on how pricing procedure relates to various stages of the initial public offering."

Applicant respectfully submits that claims 1-19 satisfy the requirements of 35 U.S.C. § 112, ¶ 1. Nevertheless, in order to expedite allowance of the pending claims, Applicant has amended independent claim 1 to clarify that "a pricing procedure for the second portion of the shares is predisclosed prior to the first offering." Independent claim 15 has been amended in a similar manner.

Applicant submits that the application as filed discloses a method of offering shares as part of an initial public offering ("IPO") where a pricing procedure for the second portion of the shares is predisclosed prior to the first offering. For example, page 6, lines 2-9, of the application discloses that prior to the first offering stage, the company doing the IPO discloses "how the share price for subsequent stages of the offering is to be determined." In addition, page 8, lines 19-23, discloses that "public investors may be fully disclosed as to the parameters of the offering, such as the details regarding ... how the share price for subsequent stages of the offering is to be determined."

Thus, Applicant submits that the application as filed conveys with reasonable clarity to those skilled in the art that the Applicant was in possession of the invention as now claimed. Accordingly, Applicant requests that the § 112, ¶ 1 rejection be withdrawn.

Section 112, ¶ 2 Rejections

In the Office Action, claims 1-19 were rejected as being indefinite. In particular, the Office Action stated, "It is vague and unclear of what [*sic*] is the pricing procedure and the effects on various stages of the offering."

Applicant respectfully submits that claims 1-19 satisfy the requirements of 35 U.S.C. § 112, ¶ 2. Nevertheless, in order to expedite allowance of the pending claims, Applicant has amended independent claims 1 and 15 as indicated above. Applicant submits that the claims, as amended, satisfy the threshold requirements of clarity of § 112, ¶ 2.

Addressing the merits of the rejection articulated in the Office Action, claims 1 and 15 do not recite a particular pricing procedure as a number of different pricing procedures may be used. For example, the application discloses that the share price for the second portion of the shares may (i) equal the closing price at the end of the first trading interval (see p. 6, lines 15-18), (ii) be a predetermined price (see p. 9, lines 7-8), or (iii) equal a fraction of the closing price at the end of the first trading interval (see p. 9, lines 9-12). The claims are not limited to any such pricing procedure.

Moreover, Applicant submits that § 112, ¶ 2 does not require that the claims recite the effects of the pricing procedure on the various stages of the offering. Rather, § 112, ¶ 2 merely requires that the claims, when read in light of specification, reasonably apprise a person of ordinary skill in the art of the metes and bounds of the claim. *See* MPEP § 2173.02. In this case,

the Office has failed identify any claim term or phrase that is unclear to person of ordinary skill in the art.

Accordingly, Applicant submits that the claims satisfy the definiteness requirements of § 112, ¶ 2. In addition, Applicant respectfully reminds the Office that breadth of a claim is not to be equated with indefiniteness. *See* MPEP § 2173.04 (citing *In re Miller*, 441 F.2d 689, 169 USPQ 597 (CCPA 1971)).

Section 103 Rejections

In the Office Action, claims 1-19 were rejected under 35 U.S.C. § 103(a) as being obvious over Macklin in view of Logue. Applicant traverses the rejection as follows.

One of the *prima facie* elements of a case of obviousness is that the cited reference, or references when combined (as is the case here), teach or suggest all of the claim features. *See* MPEP § 2142. The Office Action relies on a single sentence from the Macklin reference as teaching the second offering step of claim 1. The sentence of Macklin relied upon by the Office reads as follows:

> As the stock prices appreciate due to improving market conditions or as the company builds credibility with investors, the company can structure a larger follow-on offering at a higher valuation.

See Office Action at 3 (citing Macklin at 103).

This sentence fails to teach or suggest all of the features of the second offering step of claim 1 for a myriad of reasons, including:

- ***First***, the follow-on offering discussed in Macklin is not part of an initial public offering, as required by claim 1. Rather, it is a second offering after the company has already become public. Indeed, the cited sentence talks about "structuring"

the follow-on offering once the IPO has been completed. In addition, in the example given in the Macklin reference, Macklin states that Octel Communications Corporation "completed the first technology IPO" and then subsequently "completed a follow-on offering." In other words, Macklin makes clear that the so-called follow-on offering is performed after the IPO is completed. Thus, Applicant submits it is clear from the Macklin reference that the follow-on offering referred to in Macklin is not part of an IPO.

- ***Second***, even assuming that the follow-on offering in Macklin constitutes the second offering in claim 1 (an assumption to which the Applicant does not agree, as stated above), Macklin does not disclose that the second offering occurs a predetermined and predisclosed time period (i.e., the "first trading interval") after the first offering, as recited in claim 1. Indeed, Macklin gives no indication, and therefore fails to teach or suggest, that potential investors are apprised of the timing of the follow-on offering prior to the initial offering.

- ***Third***, even assuming again that the follow-on offering in Macklin constitutes the second offering in claim 1, the Macklin reference does not disclose that a pricing procedure for the second offering is disclosed prior to the initial offering, as recited in claim 1.

Moreover, Applicant notes that the Office Action does not identify any portion of the Macklin reference as teaching or suggesting these features of claim 1.

In addition, Applicant submits that the Logue reference is of no aid to the Office in making out a *prima facie* case of obviousness. Specifically, Applicant submits that the Logue

reference fails to teach or suggest the above three features of claim 1, among other things. Nor does the Office identify any portion of the Logue reference that discloses these features of claim 1. Rather, the Office Action merely states the Logue reference "shows that the offering of a primary offering, a secondary or a plurality of serial offering stages for the purpose of raising capital [*sic*]." The fact that a second, follow-on offering "is one of the investment banking's most basic activity under underwriting," is immaterial to the patentability of claim 1 because such a secondary offering, as mentioned before, (i) is not part of an initial public offering, (ii) does not occur a predetermined and predisclosed time period after the first offering, and (iii) the pricing procedure for the second offering is not disclosed prior to the initial offering.

Therefore, Applicant submits that the combination of Macklin and Logue fails to teach or suggest every element of claim 1. Therefore, for at least this reason, the Office has failed to establish a *prima facie* case of obviousness with respect to claim 1. Accordingly, Applicant submits that claim 1, as well as claims 2-14 depending therefrom, are not obvious. *See* MPEP § 2143.03 (stating that if an independent claim is nonobvious, any claim depending therefrom is nonobvious).

In addition, for analogous reasons, Applicant submits that independent claim 15 and its dependent claims (claims 16-19) are not obvious over Macklin in view of Logue.

Applicant is not otherwise conceding the correctness of the obviousness rejections with respect to any of the dependent claims in the application and hereby reserve the right to make additional arguments as may be necessary because additional features of the dependent claims further distinguish the claims from the cited references, taken alone or in combination. A detailed discussion of these differences is believed to be unnecessary at this time in view of the basic differences in the independent claims pointed out above.

New Claims

Applicant has additionally added new claims 20-26, which depend, directly or indirectly, from claim 1. Support for the new claims may be found throughout the application as filed (*see e.g.,* Figure 3 and related text). By virtue of their dependence upon claim 1, Applicant submits that claims 20-26 are nonobvious in view of the cited references. *See* MPEP § 2143.03, *supra.*

CONCLUSION

Applicant respectfully requests a Notice of Allowance for the pending claims in this application. If the Examiner is of the opinion that the present application is in condition for disposition other than allowance, the Examiner is respectfully requested to contact the undersigned attorney of record at the telephone number listed below in order that the Examiner's concerns may be expeditiously addressed.

Respectfully submitted,

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